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No. 1 0-3634-102

Date EG. 2.2.1980
Fee \$...50.00

ICC Washington, D. C.

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December 19, 1980

*ADMITTED IN MARYLAND ONLY
**ADMITTED IN VIRGINIA ONLY

EDWARD B. WEBB, JR.
OF COUNSEL

12672

RECORDATION NO. _____ Filed 1425

Miss Mildred Lee
Recordation Department
Room 2303
Interstate Commerce Commission
12th St. & Constitution Ave., N.W.
Washington, D.C. 20004

DEC 29 1980 12 55 PM

INTERSTATE COMMERCE COMMISSION

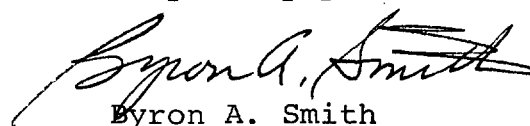
Re: National Savings and Trust Company -
Stevens/Boxcar Loan

Dear Miss Lee:

Enclosed please find an original and two photocopies of a security agreement between William and Jennie Ross ("Ross"), as Debtor, and National Savings and Trust Company, as the Secured Party, to be recorded among the records of the Interstate Commerce Commission. The security agreement conveys a security interest in railcars numbered RRRX1231 and RRRX3141. The railcars are managed and leased by Rex Leasing, Inc. on behalf of Ross and the appropriate documentation is filed under recordation numbers 11574 and 11717. The recordation fee in the amount of \$50.00 is enclosed. Please stamp and return the two photocopies to me with the appropriate recording number.

If you have any questions, please contact me. Thank you very much for your assistance.

Very truly yours,


Byron A. Smith

BAS/wp
Enclosures
cc: Philip A. Gorelick
Rebecca Stevens (w/enc.)

Also Cross indexed
12672 and 11574 + 11717

Interstate Commerce Commission
Washington, D.C. 20423

12/30/80

OFFICE OF THE SECRETARY

Byron A. Smith
Melrod, Redman & Gartlan
Suite 1100 K
1801 K Street, N.W.
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/29/80 at 12:55pm, and assigned recordation number(s) 12672.

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

(Chattel Mortgage)

and whose residence address is N/A

WITNESSETH:

12672

RECORDATION NO. **Filed** 1425

DEC 29 1980 - 12 52 PM

INTERSTATE COMMERCE COMMISSION

1. DEBTOR WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

PAYMENT	1a To pay and perform all of the obligations secured by this agreement according to their terms.
DEFEND TITLE	1b To defend the title to the collateral against all persons and against all claims and demands whatsoever, which collateral, except for the security interest granted hereby, is lawfully owned by the Debtor and is now free and clear of any and all liens, security interests, claims, charges, encumbrances, taxes and assessments except as may be set forth in the schedule.
ASSURANCE OF TITLE	1c On demand of the secured party to do the following; furnish further assurance of title, execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this agreement, execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of the Secured Party in the collateral and pay all costs of filing in connection therewith.
POSSESSION	1d To retain possession of the collateral during the existence of this agreement and not to sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of same without the written consent of the Secured Party.
LOCATION	1e To keep the collateral at the location specified in the schedule and not to remove same (except in the usual course of business for temporary periods) without the prior written consent of the Secured Party.
LIENS	1f To keep the collateral free and clear of all liens, charges, encumbrances, taxes and assessments.
TAXES	1g To pay, when due, all taxes, assessments and license fees relating to the collateral.
REPAIRS	1h To keep the collateral, at Debtor's own cost and expense, in good repair and condition and not to misuse, abuse, waste or allow to deteriorate except for normal wear and tear and to make same available for inspection by the Secured Party at all reasonable times.
INSURANCE	1i To keep the collateral insured against loss by fire (including extended coverage), theft and other hazards as the Secured Party may require and to obtain collision insurance if applicable. Policies shall be in such form and amounts and with such companies as the Secured Party may designate. Policies shall be obtained from responsible insurers authorized to do business in this state. Certificates of insurance or policies, payable to the respective parties as their interest may appear, shall be deposited with the Secured Party who is authorized, but under no duty, to obtain such insurance upon failure of the Debtor to do so. Debtor shall give immediate written notice to the Secured Party and to insurers of loss or damage to the collateral and shall promptly file proofs of loss with insurers. Debtor hereby appoints the Secured Party the attorney for the Debtor in obtaining, adjusting and cancelling any such insurance and endorsing settlement drafts and hereby assigns to the Secured Party all sums which may become payable under such insurance, including return premiums and dividends, as additional security for the indebtedness.

LOAN — USE OF PROCEEDS	1j If this agreement is security for a loan to be used to pay a part or all of the purchase price of the collateral; to use the proceeds of the loan to pay the purchase price, filing fees and insurance premiums. The Secured Party however, may pay the proceeds directly to the seller of the collateral.
CHANGE OF ADDRESS	1k To immediately notify the Secured Party in writing of any change in or discontinuance of Debtor's place or places of business and/or residence.
AFFIXED TO REALTY	1l That if the collateral has been attached to or is to be attached to real estate, a description of the real estate and the name and address of the record owner is set forth in the schedule herein; if the said collateral is attached to real estate prior to the perfection of the security interest granted hereby, Debtor will on demand of the Secured Party furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the collateral which is prior to Secured Party's interest.
NOTES	2. GENERAL PROVISIONS: 2a Notes, if any, executed in connection with this agreement, are separate instruments and may be negotiated by Secured Party without releasing Debtor, the collateral, or any guarantor or co-maker. Debtor consents to any extension of time of payment. If there be more than one Debtor, guarantor or co-maker of this agreement or of notes secured hereby, the obligation of all shall be primary, joint and several.
NON-WAIVER	2b Waiver of or acquiescence in any default by the Debtor, or failure of the Secured Party to insist upon strict performance by the Debtor of any warranties or agreements in this security agreement, shall not constitute a waiver of any subsequent or other default or failure.
NOTICES	2c Notices to either party shall be in writing and shall be delivered personally or by mail addressed to the party at the address herein set forth or otherwise designated in writing.
LAW APPLICABLE	2d The Uniform Commercial Code shall govern the rights, duties and remedies of the parties and any provisions herein declared invalid under any law shall not invalidate any other provision or this agreement.
DEFAULT	2e The following shall constitute a default by Debtor:
non-payment	Failure to pay the principal or any installment of principal or of interest on the indebtedness or any notes when due.
violation	Failure by Debtor to comply with or perform any provision of this agreement.
misrepresentation	False or misleading representations or warranties made or given by Debtor in connection with this agreement.
levy	Subjection of the collateral to levy of execution or other judicial process.
insolvency	Commencement of any insolvency proceeding by or against the Debtor or of any guarantor or of surety for the Debtor's obligations.
death	Death of the Debtor or of any Guarantor or of surety for the Debtor's obligations.
impairment of security	Any reduction in the value of the collateral or any act of the Debtor which imperils the prospect of full performance or satisfaction of the Debtor's obligations herein.
REMEDIES ON DEFAULT	2f Upon any default of the Debtor and at the option of the Secured Party, the obligations secured by this agreement shall immediately become due and payable in full without notice or demand and the Secured Party shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the collateral and disposition of the proceeds as are accorded to a Secured Party by the applicable sections of the Uniform Commercial Code respecting "Default", in effect as of the date of this Security Agreement.
acceleration	
attorneys' fees etc.	Upon any default, the Secured Party's reasonable attorneys' fees and the legal and other expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising, and selling the collateral shall be chargeable to the Debtor.
deficiency	The Debtor shall remain liable for any deficiency resulting from a sale of the collateral and shall pay any such deficiency forthwith on demand.
monies advanced	If the Debtor shall default in the performance of any of the provisions of this agreement on the Debtor's part to be performed, Secured Party may perform same for the Debtor's account and any monies expended in so doing shall be chargeable with interest to the Debtor and added to the indebtedness secured hereby.
seizure	In conjunction with, addition to or substitution for those rights, Secured Party, at his discretion, may: (1) enter upon Debtor's premises peaceably by Secured Party's own means or with legal process and take possession of the collateral, or render it unusable, or dispose of the collateral on the Debtor's premises and the Debtor agrees not to resist or interfere; (2) require Debtor to assemble the collateral and make it available to the Secured Party at a place to be designated by the Secured Party, reasonably convenient to both parties (Debtor agrees that the Secured Party's address as set forth above is a place reasonably convenient for such assembling); (3) unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice will be met if such notice is mailed, postage prepaid, to the address of the Debtor shown above, at least three days before the time of sale or disposition.
assembling collateral	
notice of sale	
	2g Secured Party may assign this agreement and if assigned the assignee shall be entitled, upon notifying the Debtor, to performance of all of Debtor's obligations and agreements hereunder and the assignee shall be entitled to all of the rights and remedies of the Secured Party hereunder. Debtor will assert no claims or defenses Debtor may have against the Secured Party against the assignee.
FINANCING STATEMENT	2h The Secured Party is hereby authorized to file a Financing Statement.
CAPTIONS	2i The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this agreement nor the intent of any provision thereof.

3. ADDITIONAL PROVISIONS:

(See Schedule "A" attached hereto and made a part hereof by reference.)

The terms, warranties and agreements herein contained shall bind and inure to the benefit of the respective parties hereto, and their respective legal representatives, successors and assigns.

The gender and number used in this agreement are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

This agreement may not be changed orally.

IN WITNESS WHEREOF, the Parties have respectively signed and sealed these presents the day and year first above written.

SECURED PARTY:

NATIONAL SAVINGS AND TRUST COMPANY

By: Rebecca L. Stevens

DEBTOR:

William W. Ross
William W. Ross
Jennie F. Ross
Jennie F. Ross

SCHEDULE

Describe items of collateral, the address where each item will be located and describe any prior liens, etc., and the amounts due thereon. If items are crops or goods affixed or to be affixed to real estate describe the real estate and state the name and address of the owner of record thereof.

Items

Location, etc.

- | | |
|--|--|
| 1. Hopper Railcar No. RRRX3141 which is the subject of a lease agreement between Rex Leasing, Inc. and Farmers Cooperative Company, as amended, and is recorded with the Interstate Commerce Commission under Recordation No. 11717. | The collateral does not have a fixed location. |
| 2. Hopper Railcar No. RRRX1231 which is the subject of a lease agreement between Rex Leasing, Inc. and Farmland Industries, Inc. as amended, and recorded with the Interstate Commerce Commission under Recordation No. 11574. | The collateral does not have a fixed location. |

The chief place of business of the Debtor, if other than stated in this agreement, is:

Security Agreement
(Chattel Mortgage)

WILLIAM W. ROSS and
JENNIE F. ROSS, his wife

to

NATIONAL SAVINGS AND TRUST COMPANY

Dated, December , 19 80

To perfect lien, file UCC 1 (see UCC §9-401)
N. Y.: CONSUMER GOODS OR FARM CONNECTED COLLATERAL:
—resident debtor; with filing officer in county of debtor's residence.
—non-resident debtor: Dept. of state; if debtor has a place of business in only one county in N. Y., also with filing officer of such county.
—crops: Dept. of state and also with filing officer in county where crops are grown, in which crops are grown, lie.
FIXTURES attached to realty; in county where land lies.
ALL OTHER CASES: Dept. of state; if debtor has a place of business in only one county in N. Y., also with filing officer of such county.
—filing officer; in N.Y.C., the City Register of the county; elsewhere in state, the county clerk.
N. J.: CONSUMER GOODS OR FARM CONNECTED COLLATERAL:
—with clerk of county of debtor's residence.
—if non-resident debtor, in county where goods are kept.
—crops; in county where land lies.
FIXTURES attached to realty; with register of county where land lies or with county clerk if no register.
ALL OTHER COLLATERAL; with secretary of state.
CONN.: FIXTURES attached to realty; with clerk of town or city where land lies.
ALL OTHER COLLATERAL; with secretary of state.

GUARANTEE

The undersigned guarantees prompt and full performance and payment according to the tenor of the within agreement, to the holder hereof, and, in the event of default, authorizes any holder hereof to proceed against the undersigned, for the full amount due including reasonable attorneys' fees, and hereby waives presentment, demand, protest, notice of protest, notice of dishonor and any and all other notices or demand of whatever character to which the undersigned might otherwise be entitled. The undersigned further consents to any extension granted by any holder and waives notice thereof. If more than one guarantor, obligation of each shall be joint and several.

WITNESS the hand and seal of the undersigned this day of 19 .

(L.S.)
Residence.....
Business Address.....
Firm Name.....

SCHEDULE "A" TO SECURITY AGREEMENT

3. ADDITIONAL PROVISIONS:

3a. The Debtor shall at all times maintain proper books of record and account in accordance with generally accepted accounting practices and procedures and will permit the Secured Party or its authorized officers or agents access to such books and records at all reasonable times. The Debtor will provide the Secured Party with complete financial statements certified by an Officer of the Debtor (or an independent public accountant if required by the Secured Party), including both a balance sheet and profit and loss statement on an annual basis, and the Debtor will provide the Secured Party with such additional financial information as the Secured Party shall reasonably request from time to time.

3b. It is agreed that, at any time the Secured Party shall elect, it shall be entitled, in its own name or in the name of the Debtor, or otherwise, but at the expense and cost of the Debtor, to collect, demand, receive, sue for or compromise any and all of the "Receivables", as that term is defined in the Schedule herein, and to give good and sufficient releases therefor, to endorse any checks, drafts or other orders for the payment of monies payable to the Debtor in payment thereof and, in its discretion, to file any claims or take any action or proceeding, either in its own name or in the name of the Debtor, or otherwise, which the Secured Party may deem necessary or advisable. It is expressly understood and agreed, however, that the Secured Party shall not be required or obligated in any manner to make any inquiries as to the nature or sufficiency of any payment received by it or to present or file any claims or take any other action to collect or enforce a payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times.

3c. Debtor covenants and agrees with the Secured Party that the collateral shall at all times be owned by the Debtor, both legally and equitably, and that without the Secured Party's prior written consent, the collateral shall not be the subject matter of any transaction whereby the legal or equitable title to all or any part thereof shall be transferred to anyone else, nor shall the collateral be further encumbered except for such junior or subordinated financing as the Secured Party shall specifically approve in writing. If legal or equitable title to the collateral or any part thereof shall hereafter change by any means without the Secured Party's consent, except as herein provided, or if the collateral shall be further encumbered without the Secured Party's written approval, then the indebtedness secured hereby shall become immediately due and payable on the demand of the Secured Party.

3d. Debtor represents and warrants that its chief place of business and the office where its records with respect to accounts and/or contract rights are kept is in the District of Columbia.

3e. Debtor agrees to maintain, in a manner satisfactory to Secured Party, such business records as the Secured Party from time to time requires.